KINETIKO ENERGY LTD

Announcement
4 September 2023

KINETIKO SECURES $6.5m FROM STRATEGIC SOUTH AFRICAN INVESTOR TO COMPLETE AFRO ENERGY ACQUISITION

HIGHLIGHTS

- **Strategic South African investment company has executed a binding commitment to fund $6.5m (before costs)**
- **The funding will facilitate the sell down of Badimo Gas consideration shares as part of the planned merger and is non dilutionary to Kinetiko**
- **The funding commitment enables the completion of the 100% acquisition of Afro Energy**

Kinetiko Energy Ltd (ASX: KKO) (**Kinetiko** or the **Company**) is developing an energy transition solution for South Africa focused on commercialising advanced shallow conventional gas projects in the Mpumalanga Province, is pleased to provide the following update on its onshore gas exploration and production development activities.

Talent 10 Holdings (Pty) Ltd (**T10**) is a South African investment company whose stakeholders comprise leading South African oil and gas executives and demonstrates ongoing domestic support for the company's vision to become a major energy transition solution for the country.

On 24 December 2021, Kinetiko announced it had executed binding agreements to acquire the remaining 51% of Afro energy (Pty) Ltd (**Afro Energy**) it did not already own from Badimo Gas (Pty) Ltd (**Badimo**) with consideration for the acquisition being 567,704,812 shares (**Consideration Shares**) in Kinetiko (the **Merger**). In order to complete the Merger, a condition was the facilitation by Kinetiko of a $6.5 million sell down of Consideration Shares. (Refer ASX announcement dated 2 December 2022).

With the execution of a binding funding commitment, all conditions precedent to the Merger can be satisfied, and the Company anticipates it will formally close the acquisition of 100% of Afro Energy with the coming weeks.

Barrington House
283 Rokeby Road
Subiaco WA 6008

T +61 8 6315 3500
info@kinetiko.com.au

ACN: 141 647 529
kinetikoenergy.com.au

Sell Down Consideration Details

72,222,222 of the Consideration Shares (**Sell Down Shares**) will be issued to T10 at a price of $0.09 per share. The $6.5m will be released to Badimo in accordance with the terms of the Merger agreement and shareholder approvals (refer ASX announcements dated, 13 October 2022 and 24 May 2023).

Indicative Capital Structure

Security	Number
Existing Shares	780,563,522
Sell Down Shares	72,222,222
Balance Consideration Shares	495,482,590
Total Share Post Merger	1,348,268,334
Options	3,000,000
Fully Diluted	1,351,268,334

About Talent 10 Holdings

Talent10 Holdings was established by its founders as a South African investment holding company in October 2012 with the vision that by 2020 it would be a significant investment holding company in South Africa with a diversified and integrated portfolio of companies that could have a significantly broader societal impact by growing the businesses and its people. The combined experience of over 50 years in the financial and investment industry and strong commercial aptitude has enabled the Talent10 team to unlock significant growth in target company investments.

-ENDS-

This announcement is authorised for release to the market by the Board of Directors of Kinetiko Energy Limited.

For more information visit: www.kinetiko.com.au or contact,

Adam Sierakowski
Executive Chairman
08 6211 5099
adam@kinetiko.com.au

Evy Litopoulos
Investor Relations
ResolveIR
evy@resolveir.com

About Kinetiko Energy and Afro Energy

Kinetiko Energy is an Australian gas explorer focused on advanced shallow conventional gas) opportunities in rapidly developing markets in South Africa. South Africa has extensive gassy coal basins, widespread energy infrastructure and growing gas demand. The Company has achieved maiden gas reserves and a 6Tcf 2C contingent resources and large potential exploration area, comprising approximately 6,000km2 of granted and applied exploration rights.

The Company's vision is to commercialise an energy transition solution for South Africa.

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